

FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554

FILE

12

MAY 10 2004

OFFICE OF
MANAGING DIRECTOR

George L. Lyon, Jr.
Elizabeth R. Sachs
Lukas, Nace, Gutierrez & Sachs, Chartered
1111 Nineteenth Street, N.W., Suite 1200
Washington, DC 20036

Re: Request for Waiver of FY 2003 Regulatory
Fees on behalf of PNI Spectrum, LLC
Fee Control No. 00000RROG-04-054

Dear Counsel:

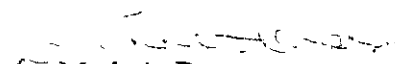
This letter responds to your request dated September 24, 2003 for waiver of the regulatory fees for Fiscal Year (FY) 2003 filed on behalf of PNI Spectrum, LLC (PNI), on grounds of financial hardship. PNI previously was granted waivers of the FY 2002 and FY 2001 regulatory fees on these grounds.

In establishing a regulatory fee program, the Commission recognized that in certain instances, payment of a regulatory fee may impose an undue financial hardship upon a licensee. The Commission therefore decided to grant waivers or reductions of its regulatory fees in those instances where a "petitioner presents a compelling case of financial hardship." See Implementation of Section 9 of the Communications Act, 9 FCC Rcd 5333, 5346 (1994), recon. granted, 10 FCC Rcd 12759 (1995). Evidence of bankruptcy or receivership is sufficient to establish financial hardship. See Implementation of Section 9 of the Communications Act, 10 FCC Rcd 12759, 12761-62 (waivers granted for licensees whose stations are bankrupt, undergoing Chapter 11 reorganization, or in receivership).

You recite that on June 8, 2001, PNI, its parent and affiliates, filed for protection under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Georgia. You also state that PNI continues to manage its property and operate its business as "debtor-in-possession" in accordance with the applicable provisions of the Bankruptcy Code. In light of PNI's financial condition, you assert that payment of the regulatory fees would pose an undue hardship on the company's limited financial resources. You also indicate that the waiver of PNI's FY 2002 regulatory fees was based on essentially the same facts that you recite in this case. Accordingly, your request for waiver of the FY 2003 fees is granted.

If you have any questions concerning this letter, please contact the Revenue and Receivables Operations Group at (202) 418-1995.

Sincerely,


Mark A. Reger
Chief Financial Officer

00000RROG-04-054

LUKAS, NACE, GUTIERREZ & SACHS

CHARTERED

1111 NINETEENTH STREET, N.W.

SUITE 1200

WASHINGTON, D.C. 20036

(202) 857-3500

RUSSELL D. LUKAS
DAVID L. NACE
THOMAS GUTIERREZ
ELIZABETH R. SACHS
GEORGE L. LYON, JR.
JOEL R. KASWELL
PAMELA L. GIST
DAVID A. LAFURIA
MARILYN SUCHECKI MENSE
B. LYNN F. RATNAVALE
TODD SLAMOWITZ
DAVID M. BRIGLIA
ALLISON M. JONES
STEVEN M. CHERNOFF

* NOT ADMITTED IN D.C.

CONSULTING ENGINEERS

ALI KUZEHKANANI

DEROY A. ADAM

LEILA REZANAVAZ

—

OF COUNSEL

JOHN J. MCAVOY

J.K. HAGE III*

LEONARD S. KOLSKY*

TELECOPIER

(202) 857-5747

<http://www.fcclaw.com>

WRITER'S DIRECT DIAL

September 24, 2003

RECEIVED - FCC

SEP 24 2003

Federal Communication Commission
Bureau / Office

VIA HAND DELIVERY

Office of the Managing Director
Federal Communications Commission
445 12th Street, S.W., Room 1-A625
Washington, DC 20554

Attn: Regulatory Fee Waiver/Reduction Request

RE: Request for Waiver of Regulatory Fees for PNI Spectrum, LLC

Dear Sir:

On behalf of PNI Spectrum, LLC ("PNI" or "Company"), this will request waiver of the regulatory fee payment now due for Fiscal Year 2003.

The basis for this waiver request, as explained below, is the compelling and extraordinary circumstance that the licensee is in Chapter 11 Bankruptcy proceedings.

PNI provides unbranded, wholesale, one-way wireless messaging network services and related products to companies for resale to their customers. As reported in public filings with the SEC, PNI experienced an erosion of its revenues from traditional one-way paging, which is the core of its networking services business and its principal source of revenue. This decline in networking services revenue is indicative of the trends being experienced by other one-way paging carriers. This and other factors combined to cause the Company to experience significant net losses and negative cash flows, and substantially to consume its available cash resources. As a result of the tightening of both public and private capital markets, PNI was unable to obtain additional capital to fund its operations.

On June 11, 2001 ("Petition Date"), PNI, its parent and affiliates, (collectively "Company") filed for protection under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Georgia ("Bankruptcy Court"). See Exhibit 1. PNI continues to

APR 06 2004

manage its property and operate its business as "debtor-in-possession" in accordance with the applicable provisions of the Bankruptcy Code. No trustee or examiner has been appointed to the case. The case number assigned PNI is 01-67598JB, although the case is being administered under the case number for its corporate parent, PNI Technologies, Inc., Case No. 01-67595-JB. *See Exhibit 1.*

As part of its reorganization, PNI has reduced its workforce by more than 90 percent and instituted other cost saving measures to limit reductions in the provision of service to the public. The Company at its peak employed approximately three hundred thirty-nine (339) employees but presently has approximately ten (10) full-time employees (including full-time temporary employees hired as independent contractors). As reported in its *Exchange Act reports*, concurrent with its Chapter 11 bankruptcy filing the Company suspended all development, assembly and shipments of its networking products. The Company does not expect to resume such activities in the foreseeable future, although it may seek to transfer or license its patent with respect to these technologies. Despite these efforts, the licensee has nevertheless had to suspend service in a number of markets to conserve cash. *See Declaration of CEO Mark B. Jones, Exhibit 2, hereto.*

The Company has discontinued service in certain markets that were not profitable (consisting of its networks in the Midwest, Florida, the Mid-Atlantic and selected networks operating on certain frequencies in the Southeast and Northeast). In connection with the shutdown of these markets, the number of transmitter tower sites operated by the Company has decreased from approximately 450 sites prior to the Petition Date to approximately 153 active tower sites today. The Company intends to continue to operate its profitable networks, which consist of the majority of its Northeast and Southeast operations. Accordingly, although the Company believes that its efforts to eliminate unprofitable operations and reduce the size of its operations ultimately may enable it to become profitable, the reduction in network markets will result in a further decrease in revenues.

Since the Petition Date, the revenues of the Company have continued to decrease. The Company's principal revenue source remains its network services business, principally the sale of network "airtime" for one-way paging, which continues its trend toward lower per-user and aggregate revenues. While the Company is making on-going efforts to reduce expenses as described above, and has made substantial progress in that regard, if the Company is unable to stabilize revenues in the coming months, the Company believes it is likely that it will be necessary to convert its current Chapter 11 bankruptcy filing to a Chapter 7 filing in anticipation of liquidation.

In light of its financial condition, payment of its regulatory fees would pose an undue hardship on the Company's limited financial resources. As described above, the Company continues to experience the significant financial difficulties that required the Company to seek protection under the Bankruptcy Code. During the reorganization period, available cash has been and will continue to be limited and severely conserved. It will be needed to pay secured creditors and meet administrative expenses, including payments for essential services, such as telecommunications services, and payments to outside professionals necessary to the bankruptcy proceeding, including bankruptcy attorneys and financial advisors. While the Company has taken dramatic steps to

eliminate expenses in an effort to create positive cash flow, repay its lenders and emerge from bankruptcy, its revenues have continued to decrease and it will be necessary to take further steps to eliminate these expenses and to stabilize its revenue stream if the Company is to emerge from bankruptcy.

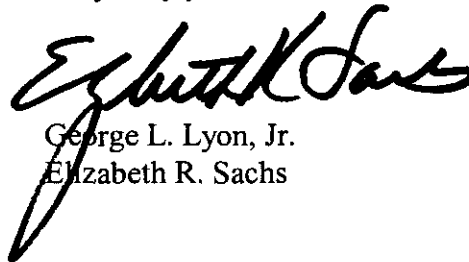
Thus, payment of its regulatory fees will further reduce the Company's available cash to support operations, will result in further limitations of service to the public and will cause further financial hardship to the licensee. *See Exhibit 2, declaration of CEO Mark B. Jones.*

On January 6, 2003, the Commission granted PNI waiver of its Fiscal Year 2002 regulatory fees based on essentially the facts set forth above. *See Exhibit 3.* The Commission noted that evidence of bankruptcy or receivership is sufficient to establish financial hardship. In light of that action, similar action is justified on this request for waiver.

PNI has met the standard of showing compelling and extraordinary circumstances to justify waiver of the regulatory fee payment. Therefore, it is respectfully requested that the Commission waive PNI's regulatory fee payment.

Should any questions arise concerning this request, kindly contact this office.

Very truly yours,

A handwritten signature in black ink, appearing to read "Elizabeth R. Sachs". The signature is fluid and cursive, with a large, stylized "E" and "S".

George L. Lyon, Jr.

Elizabeth R. Sachs

EXHIBIT 1

June 11, 2001

Re: PNI Technologies, Inc. ("PNI"),	Case No. 01-67595
PNI Corp.	Case No. 01-67596
PNI System, LLC	Case No. 01-67597
PNI Spectrum, LLC	Case No. 01-67598
PNI Georgia, Inc.	Case No. 01-67599
Mercury Paging & Communications, Inc.	Case No. 01-67600
Custom Page, Inc.	Case No. 01-67601
HTB Communications Inc.	Case No. 01-67602
M.P.C. Distributors Inc.	Case No. 01-67603

United States Bankruptcy Court, Northern District of Georgia

To Whom It May Concern:

This letter will inform you that the above named entities filed a Petition, pursuant to Chapter 11 of the U.S. Bankruptcy Code, with the United States Bankruptcy Court for the Northern District of Georgia ("Bankruptcy Court") on June 8, 2001. Enclosed is a copy of the Form 8/K filed with the Securities and Exchange Commission and a Press Release announcing this filing.

Counsel for the above named entities during this proceeding is the following:

Herbert C. Broadfoot, II
Ragsdale, Beals, Hooper & Seigler, LLP
2400 International Tower
Peachtree Center
229 Peachtree Street, N.E.
Atlanta, Georgia 30303-1629
(404) 588-0500 telephone
(404) 523-6714 facsimile

You will be receiving notification from the Bankruptcy Court regarding this filing in the near future.

Your are hereby directed to not terminate, or otherwise impair, any services currently provided to the above named entities without the approval of the Bankruptcy Court. In the event you have any questions regarding this notification and the services to be provided during this proceeding, we strongly urge you to consult with legal counsel. If you have any other questions regarding this matter, please do not hesitate to call me at (770) 582-3567.

Best Regards,

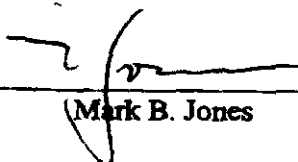
Mark B. Jones
Chief Executive Officer

EXHIBIT 2

DECLARATION OF MARK B. JONES

Mark B. Jones, under penalty of perjury, deposes and states as follows:

1. My name is Mark B. Jones. I am CEO of PNI Technologies, Inc., parent company of PNI Spectrum, LLC ("PNI"), licensee of certain CMRS facilities licensed by the FCC. I am making this declaration to support PNI's request for waiver of regulatory fees.
2. On June 8, 2001, PNI, its parent company, and its affiliate companies, filed for protection under Chapter 11 of the Bankruptcy code. As part of its reorganization, PNI has reduced its workforce by more than 90 percent and instituted other cost saving measures to limit reduction in public service. Despite these efforts, PNI has nevertheless had to suspend or eliminate service in a number of markets to conserve cash.
3. Payment of PNI's regulatory fee will further reduce the licensee's available cash to support operations, will result in further limitations and reductions of service to the public and will cause further financial hardship to the licensee.
4. The above information and the statements contained in the request for waiver to which this is attached are true and correct to the best of my knowledge and belief.



Mark B. Jones

September 10, 2003

EXHIBIT 3

1267

FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554

JAN 06 2003

OFFICE OF
MANAGING DIRECTOR

George L. Lyon, Jr.
Lukas, Nace, Gutierrez & Sachs.
1111 19th Street, N.W., Suite 1200
Washington, DC 20036

Re: Request for Waiver of FY 2002
Regulatory Fees
Fee Control No. 00000RROG-03-025

Dear Mr. Lyon:

This letter is in response to your request for waiver of Fiscal Year (FY) 2002 regulatory fees filed on behalf of PNI Spectrum, LLC (PNI).

You recite that on June 8, 2001 PNI, its parent and affiliates, filed for protection under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Georgia. In light of PNI's financial condition, you assert that payment of the regulatory fees for its CMRS facilities would impose an undue hardship on the company's limited financial resources.

The Commission will grant waivers of its regulatory fees on a sufficient showing of financial hardship. Evidence of bankruptcy or receivership is sufficient to establish financial hardship. See Implementation of Section 9 of the Communications Act, 10 FCC Rcd 12759, 12761-62 (1995) (waivers granted for licensees whose stations are bankrupt, undergoing Chapter 11 reorganization, or in receivership). You have submitted information showing that PNI has been the subject of Chapter 11 bankruptcy proceedings since June 8, 2001. Therefore, your request for waiver of the FY 2002 regulatory fees for PNI is granted.

If you have any questions concerning this letter, please contact the Revenue and Receivable Operations Group at (202) 418-1995. |

Sincerely,



Mark A. Reger
Chief Financial Officer

LUKAS, NACE, GUTIERREZ & SACHS
CHARTERED
1111 NINETEENTH STREET, N.W.
SUITE 1200
WASHINGTON, D.C. 20036
(202) 857-3500

COPY

RUSSELL D. LUKAS
DAVID L. NACE
THOMAS GUTIERREZ
ELIZABETH R. SACHS
GEORGE L. LYON, JR.
JOEL R. KASWELL
PAMELA L. GIST
DAVID A. LAFURIA
MARILYN SUCHECKI MENSE
B. LYNN F. RATNAVALE
TODD SLAMOWITZ
DAVID M. BRIGLIA
ALLISON M. JONES
STEVEN M. CHERNOFF
* NOT ADMITTED IN D.C.

CONSULTING ENGINEERS
ALI KUZEHKANANI
LEROY A. ADAM
LEILA REZANAVAZ

OF COUNSEL
JOHN J. MCAVOY
J.K. HAGE III*
LEONARD S. KOLSKY*

TELECOPIER
(202) 857-5747

<http://www.fcclaw.com>

WRITER'S DIRECT DIAL

September 24, 2003

VIA HAND DELIVERY

RECEIVED - FCC

SEP 24 2003

Office of the Managing Director
Federal Communications Commission
445 12th Street, S.W., Room 1-A625
Washington, DC 20554

Federal Communication Commission
Bureau / Office

Attn: Regulatory Fee Waiver/Reduction Request

RE: Request for Waiver of Regulatory Fees for PNI Spectrum, LLC

Dear Sir:

On behalf of PNI Spectrum, LLC ("PNI" or "Company"), this will request waiver of the regulatory fee payment now due for Fiscal Year 2003.

The basis for this waiver request, as explained below, is the compelling and extraordinary circumstance that the licensee is in Chapter 11 Bankruptcy proceedings.

PNI provides unbranded, wholesale, one-way wireless messaging network services and related products to companies for resale to their customers. As reported in public filings with the SEC, PNI experienced an erosion of its revenues from traditional one-way paging, which is the core of its networking services business and its principal source of revenue. This decline in networking services revenue is indicative of the trends being experienced by other one-way paging carriers. This and other factors combined to cause the Company to experience significant net losses and negative cash flows, and substantially to consume its available cash resources. As a result of the tightening of both public and private capital markets, PNI was unable to obtain additional capital to fund its operations.

On June 11, 2001 ("Petition Date"), PNI, its parent and affiliates, (collectively "Company") filed for protection under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Georgia ("Bankruptcy Court"). See Exhibit 1. PNI continues to

manage its property and operate its business as "debtor-in-possession" in accordance with the applicable provisions of the Bankruptcy Code. No trustee or examiner has been appointed to the case. The case number assigned PNI is 01-67598JB, although the case is being administered under the case number for its corporate parent, PNI Technologies, Inc., Case No. 01-67595-JB. See Exhibit 1.

As part of its reorganization, PNI has reduced its workforce by more than 90 percent and instituted other cost saving measures to limit reductions in the provision of service to the public. The Company at its peak employed approximately three hundred thirty-nine (339) employees but presently has approximately ten (10) full-time employees (including full-time temporary employees hired as independent contractors). As reported in its Exchange Act reports, concurrent with its Chapter 11 bankruptcy filing the Company suspended all development, assembly and shipments of its networking products. The Company does not expect to resume such activities in the foreseeable future, although it may seek to transfer or license its patent with respect to these technologies. Despite these efforts, the licensee has nevertheless had to suspend service in a number of markets to conserve cash. See Declaration of CEO Mark B. Jones, Exhibit 2, hereto.

The Company has discontinued service in certain markets that were not profitable (consisting of its networks in the Midwest, Florida, the Mid-Atlantic and selected networks operating on certain frequencies in the Southeast and Northeast). In connection with the shutdown of these markets, the number of transmitter tower sites operated by the Company has decreased from approximately 450 sites prior to the Petition Date to approximately 153 active tower sites today. The Company intends to continue to operate its profitable networks, which consist of the majority of its Northeast and Southeast operations. Accordingly, although the Company believes that its efforts to eliminate unprofitable operations and reduce the size of its operations ultimately may enable it to become profitable, the reduction in network markets will result in a further decrease in revenues.

Since the Petition Date, the revenues of the Company have continued to decrease. The Company's principal revenue source remains its network services business, principally the sale of network "airtime" for one-way paging, which continues its trend toward lower per-user and aggregate revenues. While the Company is making on-going efforts to reduce expenses as described above, and has made substantial progress in that regard, if the Company is unable to stabilize revenues in the coming months, the Company believes it is likely that it will be necessary to convert its current Chapter 11 bankruptcy filing to a Chapter 7 filing in anticipation of liquidation.

In light of its financial condition, payment of its regulatory fees would pose an undue hardship on the Company's limited financial resources. As described above, the Company continues to experience the significant financial difficulties that required the Company to seek protection under the Bankruptcy Code. During the reorganization period, available cash has been and will continue to be limited and severely conserved. It will be needed to pay secured creditors and meet administrative expenses, including payments for essential services, such as telecommunications services, and payments to outside professionals necessary to the bankruptcy proceeding, including bankruptcy attorneys and financial advisors. While the Company has taken dramatic steps to

eliminate expenses in an effort to create positive cash flow, repay its lenders and emerge from bankruptcy, its revenues have continued to decrease and it will be necessary to take further steps to eliminate these expenses and to stabilize its revenue stream if the Company is to emerge from bankruptcy.


Thus, payment of its regulatory fees will further reduce the Company's available cash to support operations, will result in further limitations of service to the public and will cause further financial hardship to the licensee. *See Exhibit 2, declaration of CEO Mark B. Jones.*

On January 6, 2003, the Commission granted PNI waiver of its Fiscal Year 2002 regulatory fees based on essentially the facts set forth above. *See Exhibit 3.* The Commission noted that evidence of bankruptcy or receivership is sufficient to establish financial hardship. In light of that action, similar action is justified on this request for waiver.

PNI has met the standard of showing compelling and extraordinary circumstances to justify waiver of the regulatory fee payment. Therefore, it is respectfully requested that the Commission waive PNI's regulatory fee payment.

Should any questions arise concerning this request, kindly contact this office.

Very truly yours,



George L. Lyon, Jr.
Elizabeth R. Sachs

Exhibits 1-3

EXHIBIT 1

June 11, 2001

Re: PNI Technologies, Inc. ("PNI"),	Case No. 01-67595
PNI Corp.	Case No. 01-67596
PNI System, LLC	Case No. 01-67597
PNI Spectrum, LLC	Case No. 01-67598
PNI Georgia, Inc.	Case No. 01-67599
Mercury Paging & Communications, Inc.	Case No. 01-67600
Custom Page, Inc.	Case No. 01-67601
HTB Communications Inc.	Case No. 01-67602
M.P.C. Distributors Inc.	Case No. 01-67603

United States Bankruptcy Court, Northern District of Georgia

To Whom It May Concern:

This letter will inform you that the above named entities filed a Petition, pursuant to Chapter 11 of the U.S. Bankruptcy Code, with the United States Bankruptcy Court for the Northern District of Georgia ("Bankruptcy Court") on June 8, 2001. Enclosed is a copy of the Form 8/K filed with the Securities and Exchange Commission and a Press Release announcing this filing.

Counsel for the above named entities during this proceeding is the following:

Herbert C. Broadfoot, II
 Ragsdale, Beals, Hooper & Seigler, LLP
 2400 International Tower
 Peachtree Center
 229 Peachtree Street, N.E.
 Atlanta, Georgia 30303-1629
 (404) 588-0500 telephone
 (404) 523-6714 facsimile

You will be receiving notification from the Bankruptcy Court regarding this filing in the near future.

Your are hereby directed to not terminate, or otherwise impair, any services currently provided to the above named entities without the approval of the Bankruptcy Court. In the event you have any questions regarding this notification and the services to be provided during this proceeding, we strongly urge you to consult with legal counsel. If you have any other questions regarding this matter, please do not hesitate to call me at (770) 582-3567.

Best Regards,

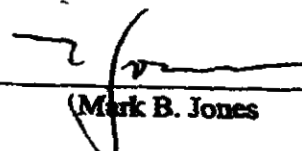
Mark B. Jones
 Chief Executive Officer

EXHIBIT 2

DECLARATION OF MARK B. JONES

Mark B. Jones, under penalty of perjury, deposes and states as follows:

1. My name is Mark B. Jones. I am CEO of PNI Technologies, Inc., parent company of PNI Spectrum, LLC ("PNI"), licensee of certain CMRS facilities licensed by the FCC. I am making this declaration to support PNI's request for waiver of regulatory fees.
2. On June 8, 2001, PNI, its parent company, and its affiliate companies, filed for protection under Chapter 11 of the Bankruptcy code. As part of its reorganization, PNI has reduced its workforce by more than 90 percent and instituted other cost saving measures to limit reduction in public service. Despite these efforts, PNI has nevertheless had to suspend or eliminate service in a number of markets to conserve cash.
3. Payment of PNI's regulatory fee will further reduce the licensee's available cash to support operations, will result in further limitations and reductions of service to the public and will cause further financial hardship to the licensee.
4. The above information and the statements contained in the request for waiver to which this is attached are true and correct to the best of my knowledge and belief.



 (Mark B. Jones)

September 10, 2003

EXHIBIT 3

1267

FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554

OFFICE OF
MANAGING DIRECTOR

JAN 06 2003

George L. Lyon, Jr.
Lukas, Nace, Gutierrez & Sachs.
1111 19th Street, N.W., Suite 1200
Washington, DC 20036

Re: Request for Waiver of FY 2002
Regulatory Fees
Fee Control No. 00000RROG-03-025

Dear Mr. Lyon:

This letter is in response to your request for waiver of Fiscal Year (FY) 2002 regulatory fees filed on behalf of PNI Spectrum, LLC (PNI).

You recite that on June 8, 2001 PNI, its parent and affiliates, filed for protection under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Georgia. In light of PNI's financial condition, you assert that payment of the regulatory fees for its CMRS facilities would impose an undue hardship on the company's limited financial resources.

The Commission will grant waivers of its regulatory fees on a sufficient showing of financial hardship. Evidence of bankruptcy or receivership is sufficient to establish financial hardship. See Implementation of Section 9 of the Communications Act, 10 FCC Rcd 12759, 12761-62 (1995) (waivers granted for licensees whose stations are bankrupt, undergoing Chapter 11 reorganization, or in receivership). You have submitted information showing that PNI has been the subject of Chapter 11 bankruptcy proceedings since June 8, 2001. Therefore, your request for waiver of the FY 2002 regulatory fees for PNI is granted.

If you have any questions concerning this letter, please contact the Revenue and Receivable Operations Group at (202) 418-1995.

Sincerely,



Mark A. Reger
Chief Financial Officer

LUKAS, NACE, GUTIERREZ & SACHS

CHARTERED

1111 NINETEENTH STREET, N.W.

SUITE 1200

WASHINGTON, D.C. 20036

(202) 857-3500

COPY

RUSSELL D. LUKAS
DAVID L. NACE
THOMAS GUTIERREZ
ELIZABETH R. SACHS
GEORGE L. LYON, JR.
JOEL R. KASWELL
PAMELA L. GIST
DAVID A. LAFURIA
MARILYN SUCHECKI MENSE
B. LYNN F. RATNAVALE
TODD SLAMOWITZ
DAVID M. BRIGLIA
ALLISON M. JONES
STEVEN M. CHERNOFF

* NOT ADMITTED IN D.C.

CONSULTING ENGINEERS
ALI KUZEHKANANI
LEROY A. ADAM
LEILA REZANAVAZ

OF COUNSEL
JOHN J. MCAVOY
J.K. HAGE III*
LEONARD S. KOLSKY*

TELECOPIER
(202) 857-5747

<http://www.fcclaw.com>

WRITER'S DIRECT DIAL

September 24, 2003

RECEIVED - FCC

SEP 24 2003

VIA HAND DELIVERY

Office of the Managing Director
Federal Communications Commission
445 12th Street, S.W., Room 1-A625
Washington, DC 20554

Federal Communication Commission
Bureau / Office

Attn: Regulatory Fee Waiver/Reduction Request

RE: Request for Waiver of Regulatory Fees for PNI Spectrum, LLC

Dear Sir:

On behalf of PNI Spectrum, LLC ("PNI" or "Company"), this will request waiver of the regulatory fee payment now due for Fiscal Year 2003.

The basis for this waiver request, as explained below, is the compelling and extraordinary circumstance that the licensee is in Chapter 11 Bankruptcy proceedings.

PNI provides unbranded, wholesale, one-way wireless messaging network services and related products to companies for resale to their customers. As reported in public filings with the SEC, PNI experienced an erosion of its revenues from traditional one-way paging, which is the core of its networking services business and its principal source of revenue. This decline in networking services revenue is indicative of the trends being experienced by other one-way paging carriers. This and other factors combined to cause the Company to experience significant net losses and negative cash flows, and substantially to consume its available cash resources. As a result of the tightening of both public and private capital markets, PNI was unable to obtain additional capital to fund its operations.

On June 11, 2001 ("Petition Date"), PNI, its parent and affiliates, (collectively "Company") filed for protection under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Georgia ("Bankruptcy Court"). See Exhibit 1. PNI continues to

manage its property and operate its business as "debtor-in-possession" in accordance with the applicable provisions of the Bankruptcy Code. No trustee or examiner has been appointed to the case. The case number assigned PNI is 01-67598JB, although the case is being administered under the case number for its corporate parent, PNI Technologies, Inc., Case No. 01-67595-JB. *See* Exhibit 1.

As part of its reorganization, PNI has reduced its workforce by more than 90 percent and instituted other cost saving measures to limit reductions in the provision of service to the public. The Company at its peak employed approximately three hundred thirty-nine (339) employees but presently has approximately ten (10) full-time employees (including full-time temporary employees hired as independent contractors). As reported in its Exchange Act reports, concurrent with its Chapter 11 bankruptcy filing the Company suspended all development, assembly and shipments of its networking products. The Company does not expect to resume such activities in the foreseeable future, although it may seek to transfer or license its patent with respect to these technologies. Despite these efforts, the licensee has nevertheless had to suspend service in a number of markets to conserve cash. *See* Declaration of CEO Mark B. Jones, Exhibit 2, hereto.

The Company has discontinued service in certain markets that were not profitable (consisting of its networks in the Midwest, Florida, the Mid-Atlantic and selected networks operating on certain frequencies in the Southeast and Northeast). In connection with the shutdown of these markets, the number of transmitter tower sites operated by the Company has decreased from approximately 450 sites prior to the Petition Date to approximately 153 active tower sites today. The Company intends to continue to operate its profitable networks, which consist of the majority of its Northeast and Southeast operations. Accordingly, although the Company believes that its efforts to eliminate unprofitable operations and reduce the size of its operations ultimately may enable it to become profitable, the reduction in network markets will result in a further decrease in revenues.

Since the Petition Date, the revenues of the Company have continued to decrease. The Company's principal revenue source remains its network services business, principally the sale of network "airtime" for one-way paging, which continues its trend toward lower per-user and aggregate revenues. While the Company is making on-going efforts to reduce expenses as described above, and has made substantial progress in that regard, if the Company is unable to stabilize revenues in the coming months, the Company believes it is likely that it will be necessary to convert its current Chapter 11 bankruptcy filing to a Chapter 7 filing in anticipation of liquidation.

In light of its financial condition, payment of its regulatory fees would pose an undue hardship on the Company's limited financial resources. As described above, the Company continues to experience the significant financial difficulties that required the Company to seek protection under the Bankruptcy Code. During the reorganization period, available cash has been and will continue to be limited and severely conserved. It will be needed to pay secured creditors and meet administrative expenses, including payments for essential services, such as telecommunications services, and payments to outside professionals necessary to the bankruptcy proceeding, including bankruptcy attorneys and financial advisors. While the Company has taken dramatic steps to

eliminate expenses in an effort to create positive cash flow, repay its lenders and emerge from bankruptcy, its revenues have continued to decrease and it will be necessary to take further steps to eliminate these expenses and to stabilize its revenue stream if the Company is to emerge from bankruptcy.


Thus, payment of its regulatory fees will further reduce the Company's available cash to support operations, will result in further limitations of service to the public and will cause further financial hardship to the licensee. *See Exhibit 2, declaration of CEO Mark B. Jones.*

On January 6, 2003, the Commission granted PNI waiver of its Fiscal Year 2002 regulatory fees based on essentially the facts set forth above. *See Exhibit 3.* The Commission noted that evidence of bankruptcy or receivership is sufficient to establish financial hardship. In light of that action, similar action is justified on this request for waiver.

PNI has met the standard of showing compelling and extraordinary circumstances to justify waiver of the regulatory fee payment. Therefore, it is respectfully requested that the Commission waive PNI's regulatory fee payment.

Should any questions arise concerning this request, kindly contact this office.

Very truly yours,



George L. Lyon, Jr.
Elizabeth R. Sachs

Exhibits 1-3

EXHIBIT 1

June 11, 2001

Re: PNI Technologies, Inc. ("PNI"),	Case No. 01-67595
PNI Corp.	Case No. 01-67596
PNI System, LLC	Case No. 01-67597
PNI Spectrum, LLC	Case No. 01-67598
PNI Georgia, Inc.	Case No. 01-67599
Mercury Paging & Communications, Inc.	Case No. 01-67600
Custom Page, Inc.	Case No. 01-67601
HTB Communications Inc.	Case No. 01-67602
M.P.C. Distributors Inc.	Case No. 01-67603

United States Bankruptcy Court, Northern District of Georgia

To Whom It May Concern:

This letter will inform you that the above named entities filed a Petition, pursuant to Chapter 11 of the U.S. Bankruptcy Code, with the United States Bankruptcy Court for the Northern District of Georgia ("Bankruptcy Court") on June 8, 2001. Enclosed is a copy of the Form 8/K filed with the Securities and Exchange Commission and a Press Release announcing this filing.

Counsel for the above named entities during this proceeding is the following:

Herbert C. Broadfoot, II
 Ragsdale, Beals, Hooper & Seigler, LLP
 2400 International Tower
 Peachtree Center
 229 Peachtree Street, N.E.
 Atlanta, Georgia 30303-1629
 (404) 588-0500 telephone
 (404) 523-6714 facsimile

You will be receiving notification from the Bankruptcy Court regarding this filing in the near future.

Your are hereby directed to not terminate, or otherwise impair, any services currently provided to the above named entities without the approval of the Bankruptcy Court. In the event you have any questions regarding this notification and the services to be provided during this proceeding, we strongly urge you to consult with legal counsel. If you have any other questions regarding this matter, please do not hesitate to call me at (770) 582-3567.

Best Regards,

Mark B. Jones
 Chief Executive Officer

EXHIBIT 2

DECLARATION OF MARK B. JONES

Mark B. Jones, under penalty of perjury, deposes and states as follows:

1. My name is Mark B. Jones. I am CEO of PNI Technologies, Inc., parent company of PNI Spectrum, LLC ("PNI"), licensee of certain CMRS facilities licensed by the FCC. I am making this declaration to support PNI's request for waiver of regulatory fees.
2. On June 8, 2001, PNI, its parent company, and its affiliate companies, filed for protection under Chapter 11 of the Bankruptcy code. As part of its reorganization, PNI has reduced its workforce by more than 90 percent and instituted other cost saving measures to limit reduction in public service. Despite these efforts, PNI has nevertheless had to suspend or eliminate service in a number of markets to conserve cash.
3. Payment of PNI's regulatory fee will further reduce the licensee's available cash to support operations, will result in further limitations and reductions of service to the public and will cause further financial hardship to the licensee.
4. The above information and the statements contained in the request for waiver to which this is attached are true and correct to the best of my knowledge and belief.



(Mark B. Jones)

September 10, 2003

EXHIBIT 3

1267

FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554

JAN 06 2003

OFFICE OF
MANAGING DIRECTOR

George L. Lyon, Jr.
Lukas, Nace, Gutierrez & Sachs.
1111 19th Street, N.W., Suite 1200
Washington, DC 20036

Re: Request for Waiver of FY 2002
Regulatory Fees
Fee Control No. 00000RROG-03-025

Dear Mr. Lyon:

This letter is in response to your request for waiver of Fiscal Year (FY) 2002 regulatory fees filed on behalf of PNI Spectrum, LLC (PNI).

You recite that on June 8, 2001 PNI, its parent and affiliates, filed for protection under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Georgia. In light of PNI's financial condition, you assert that payment of the regulatory fees for its CMRS facilities would impose an undue hardship on the company's limited financial resources.

The Commission will grant waivers of its regulatory fees on a sufficient showing of financial hardship. Evidence of bankruptcy or receivership is sufficient to establish financial hardship. See Implementation of Section 9 of the Communications Act, 10 FCC Rcd 12759, 12761-62 (1995) (waivers granted for licensees whose stations are bankrupt, undergoing Chapter 11 reorganization, or in receivership). You have submitted information showing that PNI has been the subject of Chapter 11 bankruptcy proceedings since June 8, 2001. Therefore, your request for waiver of the FY 2002 regulatory fees for PNI is granted.

If you have any questions concerning this letter, please contact the Revenue and Receivable Operations Group at (202) 418-1995.

Sincerely,



Mark A. Reger
Chief Financial Officer